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ROUTING AND TRANSMITTAL SLIP Date 11 October 1983

TO: (Name, office symbol, room number, building, Agency/Post)	Initials	Date
1. D/ICS		
2. DDCI		
3.		
4.		
5.		

X	Action		File		Note and Return
	Approval		For Clearance		Per Conversation
	As Requested		For Correction		Prepare Reply
	Circulate		For Your Information		See Me
	Comment		Investigate		Signature
	Coordination		Justify		

REMARKS

[redacted] 25X1

The DDCI wonders if the attached is okay with you given the inclusion of yourself and the [redacted] 25X1

[redacted] 25X1

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg.
	Phone No.

5041-102

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

☆ GPO : 1980 O - 311-156 (17)

Called ICS again 10/26. Kathy said Elsie still has to discuss w/ Burkhalter; not sure when it will come over here.

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C

General Counsel
83-07325

DD/A Registry
83-3040

ROUTING AND RECORD SHEET

SUBJECT: (Optional)
Proposed Headquarters Notice--Internal Accounting and Administrative Controls

FROM:
Director of Finance
1212 Key Bldg.

EXTENSION

NO. ADPP 163-83-48 25X1

DATE 25 August 1983 25X1

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. DDA 7D-18 Hqs.		29 AUG 1983		
2.				
3. General Counsel 7D-00 Hqs.	23 SEP 1983			
4.				
5. Inspector General 6E-08 Hqs.	26 SEP 1983			
6.				
7. Executive Director 7D-55 Hqs.	6 Oct 83			This there's considerable boiler-plate here, so much organizing has already taken place that the IG recommends that it go as is. So be it.
8.				
9. DDCI 7D-60 Hqs.				
10. Returned to EXDIR for Signature				
11. DCI 7D-60 Hqs.				
12.				
13. DDA 7D-18 Hqs.				
14. D/Finance 1212 Key Bldg.				See attached memo from OGC
15.				

DCI EXEC REG

FORM 610 USE PREVIOUS EDITIONS

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83-3040

4 OCT 1983

ADPP 163-83-48

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Executive Director
Inspector General
General Counsel
Deputy Director for Administration

FROM: Allen R. Elkins
Director of Finance

SUBJECT: Proposed Headquarters Notice - Internal Accounting and Administrative Control Directive

1. Attached is a recommended Headquarters Notice which would prescribe Agency policies and standards for internal controls as required by the Federal Managers' Financial Integrity Act of 1982 (PL 97-255, approved 8 September 1982). The intent of internal controls is to reasonably ensure effective control over, and accountability for, assets and make certain of the day-to-day involvement of Agency chains of command in the process of appropriate authorization and approval, consistent with standards prescribed by the Comptroller General.

2. As further required by the Act, the Director of Management and Budget has established guidelines that the head of each executive agency shall follow in evaluating the internal control systems of the Agency to decide whether the systems are providing the necessary effective control and accountability for assets. By 31 December of each year (beginning in 1983), the head of each executive agency, based on the foregoing evaluation, shall prepare a statement on whether the internal control systems of the Agency are in compliance with the requirements of the Act. If the head of an agency decides the systems are not in compliance, the statement shall include a report identifying any material weakness in the systems and describing the plans and schedule for correcting the weakness. All statements and reports will be signed by the head of each executive agency and submitted to the President and Congress.

3. Essentially, the Federal Managers' Financial Integrity Act is an expansion of the Budget and Accounting Procedures Act of 1950. It is a positive effort to transform the expectations of the 1950 Act into reality by a fixing of personal responsibility and definition of requirements for reducing fraud, improving management controls, and eliminating errors in the administration of Government programs. This Agency is in substantial compliance with the requirement for systems of

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internal controls through its organizational structure and regulatory system. The assignment of individual authorities and responsibilities to senior Agency officials for activities within their organizations provide the on-going planning, direction, and control mechanisms for evaluation of the effectiveness of our systems throughout the Agency.

4. The OMB guidelines require a periodic review of the susceptibility of a program or function to the occurrence of waste, loss, unauthorized use, or misappropriation. Such reviews are known as vulnerability assessments and are the mechanism with which an Agency can determine the relative potential for loss in programs and functions and schedule internal control reviews and related action. Although not specifically addressed in the proposed notice, it is intended that these assessments be accomplished by the Executive Committee based on their own working knowledge of the programs and administrative functions, their general impressions about the control environment, and the effectiveness of existing controls. This can be done at periodic sessions of the Committee called to review selected subjects such as operational approval and regulatory systems, etc. The requirements for vulnerability assessments are that: (1) the process and the major considerations in determining the relative rankings are documented and (2) the Agency head will approve and defend their rankings.

5. In sum, publication of the proposed notice will formalize the structure and methods of the Agency's internal control systems. It provides for annual statements, assessing the operation of these controls, to be prepared by the Directors of ICS and NIESO, Deputy Directors, Heads of Independent Offices, and the Director of Finance. The statements will be submitted to the Executive Director through the Inspector General and will serve as the basis for your report to the President and Congress. A proposed internal control statement has been prepared as an attachment to the notice. As required by the Act, it includes a statement concerning conformance of the Agency accounting system to the principles, standards, and requirements of the Comptroller General.

6. Given your approval of this document and any revisions that may be required, I will forward the final version to Regulations Control Division, OIS, for processing and publication under your signature.

25X1

Allen R. Elkins

Attachments As Stated

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Next 9 Page(s) In Document Denied

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